

**GOVERNMENT OF INDIA
LAW , JUSTICE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:5655
ANSWERED ON:02.05.2002
GUIDELINES FOR NIDHI COMPANIES
KAMBALAPADU E. KRISHNAMURTHY

Will the Minister of LAW , JUSTICE AND COMPANY AFFAIRS be pleased to state:

- (a) whether the Government have issued any guidelines for Nidhi Companies/Mutual Benefit Societies to keep the health of societies in good condition;
- (b) if so, the details thereof; and
- (c) the mandatory norms set up for implementation by these Nidhi Companies?

Answer

MINISTER OF LAW, JUSTICE & COMPANY AFFAIRS (SHRI ARUN JAITLEY)

(a) to (c) The Government have issued guidelines for Nidhi companies vide two notifications, both dated 26.7.2001. The guidelines include directions on minimum net owned fund, ratio of net owned fund to deposits, ceiling on dividend, ceiling on property loans and prudential norms for revenue recognition, asset classification and provisioning norms, etc., Regional Directors of Department of Company Affairs have been designated as the Regulatory Authority. These guidelines were introduced to improve the functioning of Nidhi Companies and to restore confidence in the minds of depositors.